

## MINUTES – BOARD OF ASSESSORS MEETING, 1/10/05

In attendance: **Board of Assessors:** Denis O'Regan, Chair; Walt Borders, Brooke Bovard, Jane Frantz, Tom Frantz, Larry Walker, Laura Wallace.

**Public:** Lew Aumack, Mike Curtis, Rodney Jester, Jeff Politis, Charlie Robinson, Nanette Robinson.

**Trustees:** Aaron Hamburger, Connee McKinney

Denis O'Regan called the meeting to order at 7:34 p.m.

**Minutes:** The first order of business was a review of the minutes taken by Jane Frantz (acting secretary) at the meeting on Monday, 12/6/04. There were no additions or changes to the minutes, and a vote was taken to accept them as written.

At that point, Rodney Jester interrupted the Board meeting to say that because the schedule of Board of Assessors meetings had not been published in advance, under Delaware's Sunshine Law, the first two meetings of the Board were illegal and any actions taken at them were invalid. He demanded to know what had been discussed at these "illegal" meetings and whether anything of substance relative to land rent had been voted on. Denis O'Regan explained that those two meetings had been purely organizational in nature and no land rent business had been discussed. Rodney said any meeting of elected officials must be open to the public and notice of it must be published seven days in advance. Because this Board had failed to give due notice, even "organizational" meetings were illegal under Delaware law. Denis pointed out that Arden's Act to Reincorporate requires only that notice of public hearings be published five days in advance. Aaron Hamburger stated that all Arden committees and Boards are required to follow State law. He also said that all previous Boards of Assessors had posted their schedules on the community bulletin boards and published them in the Arden Page. Walt Borders pointed out that he had published the schedule in the December Arden Page. Denis suggested that, perhaps, the Arden charter should be amended to bring it into compliance with Delaware law. Tom Frantz said that because the previous meetings of the Board were now considered "illegal," the Board did not have a duly elected chair. He nominated Denis O'Regan for the position; the nomination was seconded, and Denis was elected by a 7 to 0 vote. After a brief

discussion, it was agreed that Tom would act as ad hoc Secretary for this meeting. A discussion and vote on a new Board Secretary was tabled until the end of the guest portion of the meeting. However, it was agreed by all Board members that this meeting was a regular Board meeting, not a public hearing.

Denis then welcomed Trustees Connee McKinney and Aaron Hamburger as guests of the Board, and said they had been invited to give an informational presentation on how the Trustees handle the County property and school tax portion of land rent on behalf of Arden's leaseholders. Aaron expressed his surprise at the Board's request for this information and apparent ignorance regarding how these matters are handled. He also said he saw no reason for the Board to concern itself with how the Trustees handle the taxes. Connee McKinney disagreed, saying she viewed any request for information as a quest for knowledge and saw it as a good thing. She said she was happy to provide the information and was glad to have been invited. She then passed out three spreadsheets: 1) 2005 Arden Land Rent DRAFT (revised CMcK 1/10/05); 2) 2004 Village of Arden Taxes 1/10/05 (prepared by Connee McKinney); 3) New Castle County Supplemental Assessments, Arden Increases – July 1, 1994 – July 1, 2004 (*copies attached*). Denis invited Connee to explain the spreadsheets to the Board.

Connee began with the 2005 Arden Land Rent DRAFT, which she said is probably familiar to most members of the Board and is fairly self-explanatory. It is based on the land rent plan that was approved in the November 2004 referendum (*the 2004 Alternative, see Green Book*). The only thing that will probably change will be the exclusion of the Avery property which is supposed to become tax-free municipal land "sometime soon." Action by the County is "pending."

As there were no questions on the land rent spreadsheet, Connee moved on to the second spreadsheet, 2004 Village of Arden Taxes, 1/10/05. She pointed out that all the assessment values on this spreadsheet are in 1983 dollars. Aaron said that the last County-wide property assessment was in 1983, and all assessments (and reassessments) since then have been devalued to 1983 dollars for the sake of consistency. Brooke Bovard expressed concern that the County would reassess all Arden properties at some point since the 1983 assessments continue to deviate further from their current values as time goes by. Aaron said that the last reassessment cost around \$30 to \$40 million dollars, so there was almost no chance of a

County-wide reassessment any time soon. Connee explained that she had deleted information on leaseholders' income and age from the spreadsheet because she views that as personal and not germane to our discussion. The Board agreed. Connee pointed out that the first column, 2004 County Assessment, relates only to the buildings on the parcels. The columns marked "county prop" and "crossing" are determined using the multipliers provided; they are given per thousand. The column labeled "Total due using individual County bills" is the amount due for County property taxes and is the sum of the "county prop" and "crossing" columns. The column marked "Total due using individual tax bills" is the sum of the columns marked "School" and "Voc". On page 3 of this spreadsheet, the item marked "Trustland" under the column labeled "Lease holder" is the residential leasehold land. The next item, "AVERY" will be taken off the roll and become tax-free municipal land as mentioned earlier. Connee said this is a lot of information to digest, and she is more than willing to answer our questions after we've had more time to look over the spreadsheets. General remarks: Aaron said that under Delaware law, any property reassessments cannot increase the taxes owed by more than 10%. Connee said that if a leasehold has not changed hands, there would be a big variation in the results. Aaron said the Trustees appealed what they considered high assessment values following the last County-wide assessment with some success.

Regarding tax rebates, the Trustees believe they are owed to individual leaseholders. On County taxes, if your income is low, you get a discount on your taxes; if you are 65 or older, you are entitled to a 50% reduction on school taxes. The Trustees made the decision that the over-65 and low-income rebates should be sent to the individual leaseholders. This decision is supported by the town attorney according to Aaron. Both Connee and Aaron said the rebates will continue to be handled this way. Connee said that individual taxpayers must apply for the rebates. Aaron guesses that 90% of those eligible for age-related rebates have applied for them. Connee said that a good person to talk to at the County regarding any questions on assessments is Al Valiante, Assessment Analyst, at (302) 395-5540.

The final spreadsheet Connee presented was the 10-year supplemental assessments. This spreadsheet is also fairly self-explanatory, but any questions regarding the terms listed under "Change Reason" should be addressed to the County.

Denis thanked both Connee and Aaron for coming to the meeting, and they left at 8:50 p.m.

Denis then began the actual Board meeting by discussing the Green Book. He explained that the Green Book contains information that this Board feels every Assessor should know and which had not been available in a single source up to now. This Board will encourage future Boards to continue using the Green Book and add to it as they see fit. Walt mentioned that the Archives Committee is interested in receiving a copy of the Green Book. Denis mentioned that Jane Frantz has drafted an “Ops” section explaining the purpose of the Green Book and how to use it. Jane will send e-copies of the Green Book Ops Section to all the Assessors for comment. The Board will discuss it at the next meeting. Also, all the material passed along by previous Boards has been collected in an Archive Notebook. Denis asked Jane to act as the Archivist for this year’s Board so that a record of our proceedings is included in the Archive Notebook. Larry Walker made a motion for the Green Book to become an official book of the Board of Assessors; the motion was seconded by Tom; motion passed by a 7 to 0 vote.

The next agenda item was the minutes. Denis suggested that within 6 to 7 days following a meeting, all the Assessors should vet a rough draft of the minutes. After approval, the minutes will be posted to the Arden Assessors’ website (at theArdens.com). The minutes will be in PDF format to protect the privacy of the Assessors. Walt volunteered to post minutes and other items to the Assessors’ website. He also said that Larry Strange is donating the webspace for the minutes through his new company. Denis asked Walt to please express the thanks of the Board to Larry for his generous offer. Walt will officially thank Larry on the Board’s behalf.

Other business: Denis asked the Board to discuss their thoughts on the presentation given by Connee and Aaron on the county property and school taxes. Denis was troubled by Aaron’s attitude, especially his use of the term “ignorance” in describing our request for information. Jane wasn’t sure where Aaron was coming from, but didn’t believe that our asking these questions should be an issue. She felt there is a general lack of understanding of where these numbers come from and how the taxes are handled. Walt said he was still somewhat confused on the flow of the dollars, but hoped that reviewing the spreadsheets would be helpful. Denis said that Connee’s desire to monitor the number of future improvements

made on leaseholds in Arden seemed to be based on two different, and maybe conflicting impulses, one involving preserving our community and the other monitoring where our taxes will be going. Larry Walker felt that under the “community standards” model that was adopted years ago, leaseholders have to take the good with the bad. We all benefit from certain improvements and suffer detriments from others. Jane expressed the opinion that two-thirds of our total land rent results from outside taxes, and two-thirds of those outside taxes are on dwellings and other improvements. She wondered where the Trustees get the authority to tax property they don’t own. In addition, she was concerned that the Arden Leases specifically prohibit the inclusion of improvements as part of land rent. Denis wondered if there should be some sort of adjustment on improvements. Brooke asked if that meant limiting property development or density of development. Denis responded that if this community continues to allow anyone to build anything they want to build, is it fair for the rest of the community to pay for those “lifestyle” choices. In the end, it was decided that given the late hour, we should continue this discussion at our next meeting.

The Board then voted to make the schedule Walt had published in the Arden Page the official schedule for the Board for 2005.

Tom suggested that the topic of our next meeting should be the Arden budget since it is both the next item on the list of “full rental value” items and will also be the subject of the Town meeting in March. He felt that this Board should give serious thought to presenting a budget so that the next Board of Assessors is not limited by a \$50 line item. Another topic for the next meeting might be factors and whether they could be eliminated or whether they should be extended. It was agreed by the Board to take up the issue of the budget and factors at our next meeting.

The meeting adjourned at 10:00 p.m.

Respectfully submitted by,

Tom Frantz  
Ad hoc Secretary to the Board of Assessors